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AMERICAN MANAGEMENT REVIEW

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In This Issue Coordination of Production and Sales in a Manufacturing Business

By D. W. K. Peacock

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AMERICAN MANAGEMENT REVIEW

January, 1924

CO-ORDINATION OF PRODUCTION AND SALES IN A MANUFACTURING BUSINESS

By D. W. K. Peacock

Cleveland, Ohio.

Of late years, particularly since the World War, much has been written about the changing phases of business administration, and various attempts have been made to secure better co-operation or co-ordination between Manufacturing, Sales, and Service, and also between the major production and sales division on the one hand and the various staff functions which have been added to business as a result of experience in the past few years.

Much of the confusion in business organization has been due to a failure on the part of line executives and staff advisors to recognize their proper spheres, and sometimes to the desire on the part of certain executives to exercise authority over divisions headed by other executives who regard themselves as of equal rank in the organization.

It would be well to examine a business from the standpoint of the functions necessarily a part of the organization, disregarding, so far as practical, the individuals occupying various jobs, and to assign to those necessary jobs a position in the organization, outline their scope and set up certain definite lines of authority and co-operative contact.

While this discussion deals primarily with the problem from the standpoint of a manufacturing company, the same general principles will apply to a bank, insurance company, retail store, public utility, or other business organization.

Line Versus Staff Executives

Executive authority, as it exists in the line organization, either for the production of an article or for its sale, should be clearly distinguished from staff positions of an advisory nature which have contact with, and, to some degree, functional control over activities throughout the whole organi-

zation. The line executive who has definite control over a large group of workmen engaged in production, or over salesmen engaged in selling the product, must have authority commensurate with responsibility of his job, and that authority can in no way be curtailed without a corresponding diminishing of the responsibility of the job.

On the other hand, the staff member who retains his balance and acts purely in an advisory capacity, can maintain close contacts both higher and lower in the organization than the line executive of equal rank. Acting as an advisor, he can ordinarily find an opportunity to help others and in helping them, to fulfill his functions satisfactorily to himself and to his employer. To the extent that he confines his assistance to advice as distinguished from orders will his success be determined.

Conflict Between Production and Sales

There is an inevitable conflict between the sales organization and the manufacturing organization, arising out of conditions inherent in market and factory.

In the first place the market varies with the season and with changing general business conditions. Often these variations are wide in extent. Where it may be easy to dispose of 1,000 units in December it may be exceedingly difficult to force the market to take 300 units in July.

How large to build the factory to supply such a market is a problem of the first magnitude. The sales manager wants a plant capable of supplying him with a monthly output equal to the maximum which the market will absorb, but with a plant of this size there will be idle equipment throughout much of the year, often averaging as high as one-third to one-half of the entire plant. Carrying charges on idle plant cut deeply into profits. Moreover, any plant in which a large portion of its employees are liable to be thrown out of work for several months of the year will find its unit labor cost considerably higher than costs in a plant where there is security of employment.

A solution would seem to offer itself in the form of a uniform manufacturing schedule which would add to merchandise reserve when sales fall off, and draw from this reserve to meet the demand at the peak of the sales period. But here we face a second problem of major importance. *How large an inventory can the company afford to carry?* This is partly a problem of finance, in which the carrying charges on inventory and warehousing facilities must be balanced against the expenses of idle plant. It is also partly a problem of obsolescence arising out of style changes or engineering developments. It is also affected by changes in the price of raw materials with the business cycle.

Another condition which makes for inevitable conflict between sales and manufacturing is the variety of uses to which a product is put. The

sales department meets a demand from the customers for a multitude of small changes in design, to meet their individual requirements.

The Sales Manager's Ideal

The ideal factory from the sales manager's point of view is one equipped to turn out goods as fast as the market will absorb, in a variety to satisfy the whims of every customer, and prepared to start manufacture tomorrow on any model in any quantity called for by the orders of today. In fact he would like a warehouse kept so well stocked that he could make immediate deliveries.

The manufacturing plant which accedes to all these individual requests will find itself equipped with scores of expensive tools and patterns. It will be forced to manufacture many small lots, with frequent change in set up. Its inventory of parts in process will be greatly inflated. To avoid such a condition, with the increased cost of manufacture which it entails, calls for a standardization of design which will give the maximum of service to the customer at a minimum of manufacturing cost.

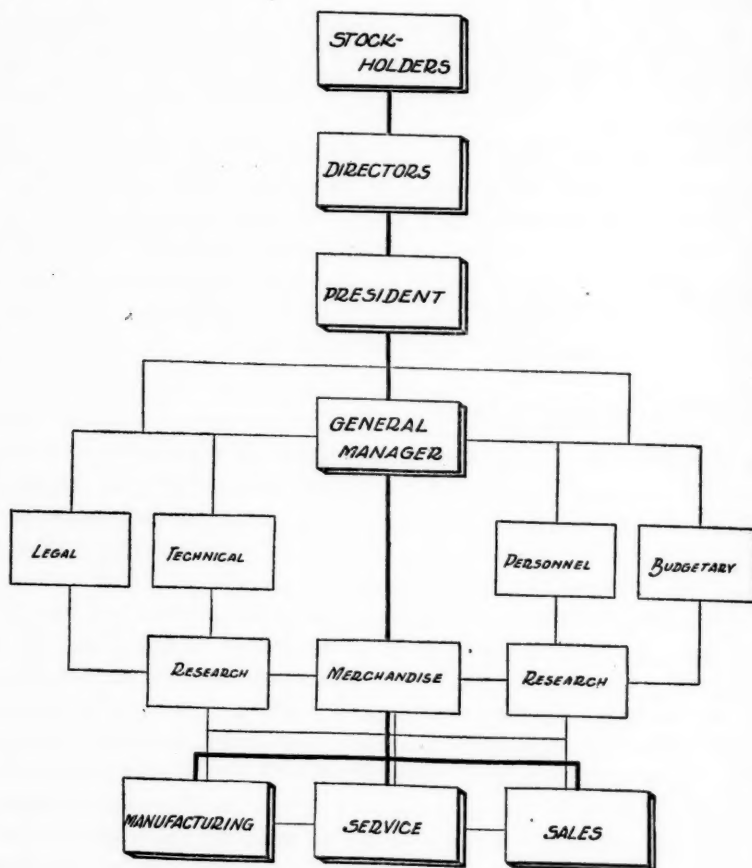
The Production Manager's Ideal

On the other hand the ideal factory from the production manager's point of view is one in which the entire plant is kept running at capacity year in and year out with few changes in design and ample stocks of raw material and parts in process so that six months' to a year's requirements can be run off without change in set-up.

A satisfactory organization might be chartered as follows in Fig. No. 1. Here we have the President reporting to the Board of Directors and they in turn to the stockholders. Under the President we have an organization of two kinds: first, the line organization with a General Manager, and under him the manufacturing executive, sales executive and the service executive. A large part of the General Manager's job of co-ordination is the establishment of manufacturing and sales budgets, the control of inventories and the direct control of service to the customers. In exercising these functions the General Manager is in effect the one who decides merchandising policies and, acting through the medium of various staff assistants, determines customers' demand as to quantity, kind, and quality; through the technical division he sees that the design or formula is in accord with this demand; through the manufacturing department he sees that quantity and quality of production are adequate; and through the sales division he sees that sales are co-ordinated with the productive capacity of the Company, as well as with the demands of customers.

In most lines of manufactured products the sales will run heavier at one or two seasons of the year than at others. A major merchandising problem is to co-ordinate production and sales to the extent that the pro-

duction organization can work at a uniform efficiency throughout the year, thereby utilizing to the fullest possible extent the available plant facilities, and maintaining an efficient organization without the necessity of repeated lay-off and re-hiring.



On the other hand the sales department must be maintained at a maximum efficiency, and during periods of heavy sales, deliveries should be such that good will is not lost through failure to keep promises of delivery. This means the maintenance of warehousing facilities and of stocks which will automatically increase or decrease with the seasonal variations in sales.

The Job of the Chief Executive

To co-ordinate these conflicting interests of manufacturing and sales

obviously calls for an executive with vision broad enough to reconcile them both and with authority to direct the activities of each.

It will be seen from the preceding discussion that the job of co-ordinating production, sales, and service is the function of the president or the general manager. Proper direction of these major activities requires consideration of several factors of major importance, such as technical design and control, legal considerations, budgetary control of production, sales, and finances, and personal policy control. All these are vitally concerned in any problem of plant expansion or contraction, with changes in production schedules, and with the variation in pressure on the sales department.

These functions of the senior executive can be, and frequently are, more or less completely delegated to staff assistants, specialists in their respective field. They present an additional problem for the executive—that of co-ordinating their activities with those of the line organization.

It must not be inferred, however, that the function of a general manager is merely that of a baseball umpire or a football referee. His is rather the job of coach and captain combined. He plans the plays and trains the players, impressing upon them the importance of subordinating individual desires to the needs of the team. In the great game of business, as in the national sport, a well organized team composed of members with only ordinary ability will defeat an unorganized collection of stars who do not pull together. The main job of the Big Boss lies in winning the whole-hearted support of his stars to the plays which he plans.

Planning the plays in the business game calls for a wide variety of highly specialized information.

The Financial Assistant

The financial aspect has been emphasized as one of the factors controlling the size of the plant and of merchandise stocks; it also governs the terms which the salesman can extend to his customer. In order that financial control may function properly it is necessary that there be built up co-ordinated cost accounting, accounting, material control, and budgets for both dollars and materials. Without the aid of this material and money control the president would be as lost as the manager of credits and collections without his ledgers. Consequently, he places on his staff an assistant, whom for the lack of a better name we may call the financial advisor, but in using this title it must always be remembered that supervision of both money and materials is included.

The Technical Assistant

The staff member in charge of technical matters aids in the co-ordination of sales and production by investigating the requirements of the customer

and by developing raw material specifications, manufacturing designs and processes, and inspection methods which will produce the merchandise to meet the customer's needs. The general manager also needs his counsel in determining his merchandising policies, because changes in market requirements, in raw material supply, or in manufacturing methods may seriously affect building, buying, and warehousing programs. Just as sales statistics and production statistics are so closely interwoven that they should not be supervised by either organization separately, but rather the function of statistical control should be placed under the supervision of a staff member, so likewise in technical matters it would be a serious mistake to divorce the engineering analysis of market requirements from the work of the chemical, electrical, and mechanical engineers in the factory. This need for co-ordination is specially pronounced in the manufacture of a product which requires repair and replacement service from the maker. Service is so intimately related to both sales and manufacture that both will suffer serious loss if their work is not co-ordinated. Usually it is advantageous to keep the line authority in these three branches distinct. The co-ordination is accomplished by giving each member of the advisory staff functional supervision over his special activity throughout manufacturing, service, and sales. It is highly important that the general manager, in making decisions which affect all three branches of the company, should have a complete picture of the financial and the technical aspect of the problem. If the sales engineer reports to the sales manager, and the manufacturing engineer to the production manager, there is serious danger that the general manager will not obtain a unified picture. One portion will be out of scale with the other; there will be wasteful duplication in some directions and serious omissions in others.

The Legal Advisor

The legal problems relating to the business are usually centralized under the supervision of a legal advisor, who as a member of the staff renders assistance wherever needed, whether in manufacturing, service, or sales. Organizers of business have recognized more clearly the unity of the legal function than they have the unity of the technical or budgeting functions.

The Personnel Advisor

The fourth member of the advisory staff who co-ordinates production and sales by unifying the functional control over his specialized activity is the personnel advisor. His task includes supervision of those activities which are usually designated as employment and welfare, and also every phase of the relation between each supervisor and his subordinates—standardization of wages, methods of training for the job and for promotion,

discipline, transfer and discharge. To provide security of employment is his largest job. This is a problem of the factory and of sales as well, a problem which cannot be solved independently of finance and engineering.

Failure to recognize the interdependence of these four staff functions each upon the other, and of their mutual relation to the major problems of management, has been responsible for many of industry's ills.

Summary

To summarize—the president and the general manager issue orders through three line executives: the production manager, the service manager, and the sales manager. In deciding what to do, when and how to do it, he depends upon the staff advisor for information regarding the legal, financial, technical, and personnel aspects of the problem. The four staff members issue no orders. They supply the facts which aid the line executives in making their decisions. Their advice governs the whole course of industry, but always and only by throwing the search light on the road ahead, and not by actually controlling the steering wheel or the throttle.

To recapitulate, the central problem in the whole question of co-ordination of production and sales is in the hands of the senior executive. He should be a man willing, and able, to outline definitely in written instructions the functions of his subordinates, to select competent men, then be willing to delegate authority and responsibility, and big enough to call his assistants together for consultation and action. Then his main problem will be much simplified, and he will find himself in position to devote his time and energy to planning for the expansion of his enterprise.

If this committee comprises in its membership the functionaries named in this paper, and if, in addition it includes in its membership the executive committee of the board, it becomes a control committee in intimate contact with all phases of the business, and its members are in position, quickly and intelligently, to arrive at decisions and put them into effect.

Such a man can hardly fail to attract worth-while assistance, and to hold their intelligent loyalty, for most executives and business specialists are eager for the opportunity to expand, and such a business offers that chance.

Labor and Employment Management

The Second Semester of the Labor and Employment Management Course at New York University will start February 7, 1924, and continue for fifteen weeks. It deals with accident and fire prevention, hygiene and sanitation, insurance, profit sharing and stock ownership. Wages and hours of work, trade unions and employee representation. The course is conducted by Mr. J. D. Hackett.

Personnel Administration

The Winter Session of the Bureau of Personnel Administration begins on February 4, 1924 and continues for eight weeks. Morning and afternoon sessions will be devoted to lectures, conferences, classroom discussions and written reviews in problems of personnel management. The course is conducted by Dr. Henry C. Metcalf.

Rules for Leave of Absence

Dennison Mfg. Co.

The *Round Robin* of the Dennison Company, November, 1923, discussing leave of absence, says: "The whole question has been studied by the management and Works Committee and the following rules have been drawn up which now govern the granting of a leave of absence:

"1. A leave of absence is a certificate that the employee is absent with the approval of the company and unless expressly stating the contrary, that the employee's job will be kept open for him. The time limit and conditions of all leaves will be agreed upon by both the employee and the management.

"If the reasons for an employee's absence are satisfactory, but because of the particular circumstances of the case the management is not in a position to certify that the job will be kept open, a leave of absence should, nevertheless, be given and the following statement should be written on the leave of absence slip—"This leave of absence is not a certificate that your job will be kept open for you, although the management will make every effort to place you on this job or some equally suitable job on your return."

"2. In any case where it is necessary to ask for an extension of the original leave, it will be optional with the management whether or not the extension will be granted.

"3. If an employee overstays his leave without extension or an acceptable excuse on his return, he does so at his own risk.

"4. Leave will ordinarily be granted for sickness that makes it impossible for the employee to continue at work without injury to his health. If the case is not clear, a doctor's certificate should be requested, but ordinarily, except in the case of extra vacation, the employee should not be put to the expense of getting a certificate. On the other hand, merely because a doctor's certificate is brought in does not mean that a leave of absence will be granted.

"5. A leave of absence will be issued in cases other than sickness whenever it is

desirable for the company to give assurance to the employee that his place will be held open, but no leave except for sickness, will be over one month.

"6. If an employee is taken sick and is unable to secure a leave of absence before going out, he should notify the company of the cause and probable duration of his absence as soon as possible. If he does this, the same safeguards as to holding his place open which apply in the case of a written leave, will apply to his absence. After his return his payroll record card and employment card will be evidence that he was carried on the books of the company.

"If an employee is out over a week and no notice of any kind is sent to the Employment Department, that department, after consulting the division superintendent, will write the employee saying that unless we hear from him explaining his absence, his name will be taken from records and he will be considered dropped.

"7. Leaves of absence should be in writing whenever this is requested by the employee or thought necessary by the management. All written leaves of absence should be signed by the division superintendent of the department where the employee works and by the Employment Department. Whenever an employee is absent with the approval of the management, the same safeguards as to holding his place open for him during his absence will apply whether a written leave of absence slip was made out or not."

Profit Sharing

Sears, Roebuck & Co.

Sears, Roebuck & Co. will give its employees an opportunity to participate in a larger percentage of the profits of the organization as a result of changes to be made in the profit-sharing system to take effect January 1, 1924. Beginning with that date, according to announcement made by Julius Rosenwald, president, the company will turn over a minimum of 7 per cent of its annual profits, against 5 per cent, which has been turned over since 1916.

All employees with the company one year or more participate in the profit-sharing system by depositing 5 per cent of their annual salaries to the fund, to which is added the contribution of the company. The funds so accumulated, according to the company's statement, "so far as practicable and advisable," will "be invested in the company's stock to the end that the depositors may share in the largest measure possible in the earnings of the company."

Commenting on the profit sharing system, President Rosenwald said:

"The purpose of the fund is to permit employees to share in our profits and to encourage the habit of saving, so that when they reach the age when they retire from active service, or when they remain after a long service record, they will have accumulated a substantial sum.

"Sears, Roebuck & Co. have made no effort to measure the benefit to themselves alone from the profit sharing with employees. It is a feature of our general policy, of which profit sharing is only one item, based on our belief that being just and fair to employees is mutually satisfactory to all concerned and ultimately redounds in added net profits to employees as well as stockholders. Besides being just, we believe it pays to give employees a share in the prosperity of the business in addition to their salaries."

From July 1, 1916, to December 31, 1923, inclusive, estimating for 1923, the company, under the original profit sharing plan, will have paid into the fund approximately \$5,000,000 as its share.

Profit Sharing

Julius Kayser & Co.

Julius Kayser & Co. are distributing \$180,000 to their employees under the company's profit sharing system. All of the company's employees in the United States and Canada, who have been with the organization one year or more will share in the distribution, the amount varying, according to length of service. Employees with the company one year will receive 1.321 per cent of the earnings for

the year ended August 31, 1923; two years, 2.642 per cent; three years, 3.963 per cent; four years, 5.284 per cent; five years, 6.605 per cent; six years, 7.2655 per cent; seven years, 7.926 per cent; eight years, 8.5865 per cent; nine years, 9.247 per cent, and ten years or more, 9.9075 per cent.

The company announces that since the plan was put into effect in 1918 "it has more than accomplished its purpose in obtaining faithful service and co-operative interest on the part of the employees."

Paying Wages by Check

In a recent letter to the *New York Times*, Mr. A. S. Banks, president of the American Society of Certified Public Accountants, suggests that employers, storekeepers, brokers and others are more to blame than the police for payroll robberies. Banking institutions in New York have opened branch offices, adopted book-keeping machines "and they are, without exception, willing and anxious to handle any customer's account however small." Early in December one of the New York banks announced that all its fifty-four offices are open from 9 A. M. to 5:30 P. M. for the purpose of cashing pay checks, and from 9 A. M. to 3:30 P. M. on Saturdays. The difficulty here is that few workers can get to the banks at these times, and besides, it is claimed that it costs banks \$30.00 a year for handling each depositor's checks.

In Boston, C. S. Anderson, of the Associated Industries of Massachusetts, has appointed a committee to investigate the payment of wages by check.

Immigration

Chairman Johnson of the House Immigration Committee, introduced a new immigration measure for the consideration of Congress on Dec. 3rd. The proposal is to make the base year 1890 instead of 1910 and to change the quota from 3 to 2 per cent. Its effect is expected to be a further reduction in the total number of immigrants.

The American Mining Congress, at its 26th Annual Convention suggests that the

mining industry favors quality and not quantity, the selection of immigrants at the point of embarkation, and that tests be applied which will indicate fitness to assimilate American ideals and the intention to become citizens.

Pension Plan

Wickwire-Spencer Steel Co.

The directors of the Wickwire-Spencer Steel Corporation, a member of the Associated Industries of Massachusetts, through their executive committee, have authorized and will put in effect at once a comprehensive pension plan, according to a statement issued in December.

The plan provides for definite retirement on pension for all male employees who reach the age of 70 years and have served the corporation or its predecessors for twenty-five years or more and for female employees who reach the age of sixty years and have twenty-five or more years' employment to their credit.

Retirement at request with pension is possible to men who reach the age of sixty-five and women who become fifty-five years if they have been twenty-five years or longer in the service.

Provision is made, also, for retirement with pension for those who have been fifteen years or longer in the service and who become permanently totally incapacitated through no fault of their own or their employment, but as a result of sickness or injuries received while not on duty.

The amount of individual pensions will be determined by multiplying 1 per cent of the average monthly earnings for the last ten years of service by the number of years of service, except that no pension shall be more than \$100 per month nor less than \$12 per month. For example, an employee who has been in the service twenty-five years and whose average monthly pay has amounted to \$100 will receive a pension of 25×1 per cent \times \$100 in \$25 per month or about \$300 per year.

The management of the plan is in the

hands of a pension board consisting of Frank A. Drury, Winthrop G. Hall and C. C. McDonald, the first two being treasurer and clerk of the corporation, respectively, and the latter assistant to the vice-president, with headquarters at Buffalo.

About five thousand employees, including salesmen and officials, will be eligible to participate in the plan. Thirty-seven of these have records of service which will entitle them to immediate retirement with pension, while seven more will reach that honorary position during 1924.

The Clinton plant heads the list of veterans with records of service as follows:

One for fifty-one years, one for forty-eight, two for forty-six, one for forty-three, one for forty-one, four for thirty-eight, one for thirty-seven, one for thirty-five, two for thirty-four, two for thirty-three, two for thirty-two, six for thirty-one, four for thirty, twelve for twenty-five to twenty-nine.

Stock Ownership

American Tel. & Tel. Co.

The American Telephone & Telegraph Co. makes the following announcement:

In the month of December, 1923, and in each month thereafter, installment payments on shares of stock subscribed for by employees under the Employees' Stock Plan will be completed. Employees about to complete subscriptions and who desire to resubscribe for shares with the least possible interruption in the systematic plan for saving available to them under the Plan—through regular and periodic deductions from pay—may do so by filing new subscriptions in the month immediately preceding that in which the final deduction from pay will be made under a previous subscription. Such new subscriptions should be dated as of the first of the month in which filed—deductions from pay to begin in the second month thereafter. Information as to the date of final deductions under previous subscriptions may be obtained through the regular channels of organization from the General

Auditor or other chief accounting officer of the company by which employed.

This privilege is not applicable to cases where shares are being taken up by payment of balance due before the date when a subscription would be completed by regular deductions from pay. It does not change the terms of the plan in any respect, including the limit upon the number of shares for which an employee may subscribe in any one year.

Psychology Test At Princeton

Professor Carl C. Brigham, assistant professor of psychology, in summarizing the results of psychological tests at Princeton University in the last two years, says:

"The tests have proved most useful in the office of the supervisor of freshmen. For the first time we have been able to locate with some certainty the men of good intellectual ability who are neglecting their studies and are not realizing their maximum capacities along academic lines. Many of these men, when shown that they had been getting low academic grades simply because they had neglected their work and not because of stupidity, realized the fact and subsequently made a good record."

In point scores of the 621 freshmen who took the tests this fall the highest mark was 81 and the lowest 19. The average scores of 46 to 54 were received by 262 men, while 111 freshmen had high average scores of between 55 and 60. About 70 per cent of the entire class received average scores or better, the dividing mark being placed at 45.

Apprentice Training Falk Corporation.

At the recent annual convention of the National Founders' Association held in New York, H. A. Frommelt said his company was lax in apprentice training until four or five years ago. The difficulties in finding experienced journeymen molders decided the company to train its own men. At present the Falk Corporation is training 145 apprentices. The entire

plant employs less than 1,000 men. All manufacturers in a district should cooperate in apprentice training. In the four-year course about three years' work is in actual molding and core making. There is class work of about five hours a week on company time.

Industrial Research

The Economic Foundation, organized to further "impartial investigation in the field of economic, social and industrial science," was launched Dec. 12 at a meeting and luncheon held at the Bankers' Club, 120 Broadway. Thomas W. Lamont of J. P. Morgan & Co., was chosen president and George Frederick Warren of Ithaca was made vice-president.

The Economic Foundation, it was explained, will act as a trust fund for donations made by persons who desire to have a group of impartial and scientific-minded men seek the important facts of social, economic and industrial problems.

Lateness

Martin J. Boland of the General Electric Company, Schenectady, has the proud record of thirty-one years' service without having ever once clocked in late. It is significant that in general he manages to allow a liberal margin so that he will be in on time.

Promotions

Henry L. Doherty & Co.

The Personnel Department of the Henry L. Doherty & Co., is notified of all vacancies occurring in any of the departments before action is taken in filling a position. Careful consideration is given to every employee in the grades below that in which the vacancy occurs and promotion is made accordingly. Promotions are made all along the line and young men who come in start at the lowest rung of the ladder.

Employee Representation At Lynn General Electric Co.

Mr. Gerard Swope, president of the General Electric Company, spoke on November 22nd, at the River Works on the subject of employee representation. He said: "The Plan of Representation here and in general is really too young as yet to produce great results. What you are working on are the first elements of the machinery. You are trying to know what the different elements are. You are getting new men into your Plan of Representation who have to go through the process of education as to what the interpretation of the company policy is, and what the rights of the men and women are who serve this company. We can make conditions of our work not only satisfactory, but bring joy as well as satisfaction into our work.

"It must be on a basis which will provide for the essentials of life, for shelter, clothing and rearing and education of our families, and enjoyment of some of the pleasures of life, and furthermore to lay by a certain amount which will provide for us and our families in case of unexpected illness or disability."

Employee Representation The Pennsylvania System

General Atterbury, in an address before the Philadelphia Forum, on Nov. 14, 1923, said: "We here in Philadelphia have seen the extraordinary success realized by the Philadelphia Rapid Transit Company.

"And this great success has been largely obtained through securing the wholehearted and earnest co-operation of the rank and file of its employees—who now own some 20 per cent of the outstanding stock of the company.

"Some people are inclined to look upon the relationship of capital and labor as one of conflicting interests. If that conception is sound, no real progress in industrial relations can be made.

"The Pennsylvania Railroad Company does not so view the situation.

"This Company has no fight with unionism. No man enjoys a position on the

Pennsylvania Railroad, or is deprived of it, because of affiliation or lack of affiliation with a labor union.

"We have, however, sought to establish a relationship with our employees which will gain not alone all the advantages of the labor union, but something in addition. We have sought to establish a system by which all employees—union and otherwise—shall be represented in their relations with the management.

"The phrase 'employee representation' is, of course, a vague one, and has a different meaning to different people; but we have honestly sought to give the duly elected representatives of our employees, as chosen by themselves without interference, the utmost possible voice in determining the conditions under which they shall work with the company."

Employee Representation Brooklyn-Manhattan Transit Co.

Over 9,000 employees of the Brooklyn-Manhattan Transit Company voted, on December 14, 1923, for the employee representation plan.

Wage Policy

United States Steel Corporation

On December 3rd, Judge Gary said: "The rate of wages depends jointly upon the employer and the employee, upon the willingness of the man to work at a certain price and the consent of the employer to hire him and pay that price. Neither can dictate, although each might in an emergency attempt to do so. The policy of the Steel Corporation has always been to keep wages up to what it believed under all the circumstances to be a generously fair rate. It is unwise to be arbitrary. Generally, it is not possible to be. One of the tests of business fitness is not being arbitrary when the opportunity offers; and the opportunity comes some time to every one."

Housing Fund Dennison Mfg. Co.

The main purpose of the Housing Fund is to take care of second mortgages for

employees of the company. When any employee wishes to purchase property it is, in practically every case, easy to find a bank which will take a first mortgage. The real problem is to get the second mortgage taken care of and it was for this purpose that the Housing Fund was established in order to encourage employees of the company to own their own houses.

Any employee who wishes to make use of this Housing Fund must possess at least 10 per cent equity of the total value of the property on which he is asking for a second mortgage and it is much better for him to have more than this 10 per cent minimum. The limit of the loan which this Housing Fund can make on any property is 30 per cent of the value of the property. In this connection the Housing Committee wishes to emphasize that it is the value of the property and not purchasing price which determines both the amount of equity which the borrower must possess and the amount of the loan which the Fund can make.

The value of the property and purchasing price are not, unfortunately, always the same and for this reason the Housing Committee strongly urges that any employee who is considering the purchase of property on which he intends to ask for a loan from the Housing Fund should by all means first get in touch with the Housing Committee before involving himself in any transaction which it may prove difficult for him to get out of. Instances have occurred where employees have gone ahead without consulting the Housing Committee and bound themselves by depositing money, and were then unable to go through with the purchase and so had the misfortune to lose the deposit money.

By consulting with the Housing Committee beforehand, such unfortunate occurrences as this can be avoided and prospective purchasers of property can also receive expert advice as to the value of property and other details relative to the purchase of property.

Stock Ownership The Texas Company

The Texas Company has been foremost in recognizing the benefits of employee stock ownership; such a plan has been in force with that company for years. Each year sees an increasing number of employee shareholders.

Group Insurance Southern Pacific Co.

A blanket life insurance policy, estimated by representatives of the Southern Pacific Company to total between \$1,250,000,000 and \$1,300,000,000, will go into effect on that system on Jan. 1. Announcement that the 90,000 employees would be insured under the plan was made by President William Sproule, following information from Julius Kruttschnitt, chairman of the executive committee, that the insurance had been accepted by more than the number of employees necessary to make it effective. The group insurance is to be carried by the Metropolitan Life Insurance Company.

All employees on every division of the Southern Pacific System, from the high officials to the humblest employees, will be insured, provided they have been in the employ of the company for six months or longer. Each employee who has worked six months receives \$250 free insurance and each one who has worked a year or longer, \$500.

Employee Representation

At a recent meeting of the New York Railway Club, Mr. H. E. Core, general chairman, Brotherhood of Locomotive Firemen and Enginemen, declared that the handling of disputed questions by employee representation, "brings closely to the representatives of the management many of the desires of the employees in a way they could not get in any other manner."

THE MANAGEMENT INDEX

Reviews and Abstracts

Education and Industry. By Henry C. Link. The MacMillan Co., New York, 1923, pp. xv + 265.

Henry C. Link's "Education and Industry" is interesting and very readable, and gives the impression that the author is very human as well as a good psychologist. This is about as high a compliment as we can pay, since we dislike very much to read any book merely to be instructed.

To our way of thinking Mr. Link has succeeded most cleverly in weaving together a great deal of information as to the experiences industries have had with their educational plans, sound principles of pedagogy, and his own opinion as to the solution of many perplexing questions. Yet with all the information contained in the book, there is no table of statistics to bore us and no dictation of opinion to offend us. The whole thing flows along almost as a narrative, although the paragraphs are complete and concise in themselves, and many could well be read separately by anyone interested in some particular subject.

Best of all we like the author's discussions of methods of education, for while he points out the various methods and the experience that has been gathered concerning each, he emphasizes the value of the discussion or case method of training, which has long been a hobby of ours—which may be the reason we like it.

Yet turning back through the pages we find we have made marginal notes on such topics as the distinction between industrial education and propaganda, the importance of closer co-operation with public educational institutions, how to draw the line between company education and public education, the use of the library, the necessity for a follow-up system to make training a success, and many instances of the general trend of training in industry.

While the book could be used in many ways as a hand-book of information, nevertheless its chief charm and value lie in its reflection of the whole question of training and its relation to industry. Those who like their intellectual food dressed up with a sauce of good humor should particularly enjoy the paragraph under "Personal Characteristics" on page 157; and when they have finished reading it, they will also observe that a great deal of fundamental truth has been said in a very few words.

Incidentally—and yet quite important to the t. b. m.—is the fact that the mechanics of the book are excellent—almost pocket size, 250 pages, large

print, and abundance of captions, and a detailed table of contents as well as a complete index.

C. R. DOOLEY.

Charts and Graphs, Karl G. Karsten, xl + 724 pages. Prentice-Hall, New York, 1923.

Charts and Graphs contains almost 500 examples of this comparatively new art, divided into simple non-mathematical charts, amount-of-change and rate-of-change analysis, calculating charts, two and three dimension data together with chapters on the materials, functions, implements, methods, colors, and steps in making charts. The result, as a whole is a very comprehensive, up-to-date and lucid treatment of the subject now so rapidly coming into use. No one should undertake to make a chart without first having read this book.

The author aims, above all, to make a complete manual on the craftsmanship of chart making and in this he succeeds admirably. It was his evident intention to make the text readable and easily understood, and many students will be grateful for his attempt to make the text clear. For the one man who will be impatient at over-elaboration there will be a dozen who feel too much has not been said.

The book is something more, however, than a mere presentation of different kinds of charts. It provides much of the statistical and mathematical background necessary for the preparation of the material to be used in making the charts. This will be distinctly useful.

The author has a large fund of good sense in his views on chart making. He relegates the "bull's eye" or "pie" charts to the advertising sheets; "they have no place in the statistical workshop." He tells, specifically what to do as well as what not to do and proposes rules for construction which enables the beginner to find out what is the best method for handling any given group of figures.

The author appears to make no distinction, if there is any, between "charts" and "graphs"; the latter word is not even indexed. He does not believe the time has yet come for standardization of nomenclature and this is unfortunate since terms are becoming fixed without due thought to their meaning. We talk of "curves" and mean "angles" though they may sometimes be straight lines.

It is unfortunate that the numerous and excellent charts are not identified, by number, in the text even though they are usually placed as near the reading matter as possible. The captions, following the figures, really belong to the text while each chart might be titled, perhaps, according to type.

The book has two lists of illustrations, one classified by chart-method, the other by subject-matter. Neither is quite satisfactory; for instance, the title of Fig. 144 in the chart-method list, is, "The Zero-line should always be heavy," and in the subject-matter list its title is, "Income of railroads." There is no indication in the index as to where "Income of Railroads" chart may be

found. The indexing of the subject matter of the charts would be of real value to those who want to find the chart treatment of a particular body of statistics.

The rules laid down through the body of the text are excellent. It would add much to the value of the book if they could be collected and dealt with as a whole.

The Foundations of National Industrial Efficiency. By Vanderveer Custis, Mac-Millan Company, New York, 1923. pp. xiv + 324.

This book aims to analyze from the national viewpoint the nature of industrial efficiency, its significance, and some of the most important conditions on which it depends. The subject, the author says, is one which has received comparatively little attention. As he views it, efficiency is the ratio of accomplishment to energy expended. He maintains that it is mainly upon an increase of industrial efficiency that reliance must be placed for securing any great advance in the material well-being of the people. The chapters dealing with the selection and development of labor are general in character and hardly throw any new light upon the subject, and practically no attention is given to the subject of physical efficiency.

Attention is devoted to the relation between enterprise, organization, saving, finances and efficiency. The methods of the author are cautiousness to a fault. He sees both sides of the picture to such an extent that one remains in doubt as to which is the more important. On the "Open Price" Associations he says this, and it is characteristic of his method:

"The chief function of some association is the collection of information and its dissemination among their members. This may have to do with such matters as marketing, credits, or even the best method of conduct—the individual business units. The Federal Trade Commission and its predecessor, the Bureau of Corporations, have in cases regarded their activities as unlawful attempts to control prices. In some instances they may really be of this nature, for the association unquestionably presents possibilities of monopolistic control. Nevertheless, the association, at its best, gives its members many of the advantages for the development of ability that are given by the large corporations."

In this connection it is desirable to note that the aim of the Anti-Trust Act has been to provide that efficiency and not monopoly shall be the determining factor in business.

Labour Supply and Regulation, Humbert Wolfe, Carnegie Endowment for International Peace. Humphry Milford, N. Y. xiv + 417 pages.

This is a history of labor supply and regulation in England during the Great War and after. It shows the effect of recruiting on industry, the establishment of national munition factories, the result of the introduction of the Munitions of War Act of 1915, the different steps taken to deal with trade

disputes, the maintenance of discipline, the various attempts made to regulate wages and, finally, the post-war adjustments.

The facts are well marshalled and comprehensively treated. The famous Treasury Agreement of March, 1915, will not be found at page 261, as the index indicates, but at page 361. The list of trade disputes ends at December, 1917, and thus gives an incomplete picture. The volume is an excellent handbook on how not to manage labor in war time.

Increasing Human Efficiency in Business. By Walter Dill Scott. The Macmillan Company, New York, 1923. 364 pages.

This is a new and enlarged edition of the book of this name which was published in 1911. This edition contains a chapter on "Human Engineering" which was not included in the former edition.

The work is written in an interesting and suggestive manner. The author really has written the book in a fashion, easily read and comprehended. Skeptics of efficiency, specially the efficiency of the human factor in business, would do well to read this book, clearly and logically discussing the various means of increasing human efficiency in business.

As measures for increasing efficiency, the author discusses each of the following in separate chapters:—Imitation, competition, loyalty, concentration, wages, pleasure, love of the game, and relaxation. The author points out the value of these measures and suggests their use in solving problems affected by human efficient.

Executives who have, as one of their functions, the consideration of the human element in industry should find this work of particular value. Wages may be the major incentive which urges employees to greater effort but the other tools suggested are less expensive and often more permanent and successful.

Creative Salesmanship. By Herbert W. Hess. J. B. Lippincott Company, Philadelphia, 1923. 339 pages.

"This text is an effort to get at the technic involved in the wholesome urge and desire tendencies of human beings to possess the benefits and the uses of modern goods, products, services and inventions. It aims to show why and how our present economic system contains wholesome evolutionary forces at work rendering reward to the individual for creative selling through the principle of individual and group initiative.

"It is in the spirit of establishing a technic which will enable the coming generation of students to conceive of the business of selling as professional, and thus ethical, that this book is written. Concepts of science, art and spiritual realization are herein so interblended that success to the business administrator comes to mean a series of undertakings based on laws and principles writ in the nature of all that constitutes human experience.

An Introduction to the Study of Labor Problems, by Gordon S. Watkins, Thomas Crowell Co., New York, 1923. pp. xv + 417.

This book has deservedly reached its fourth printing. It fulfills its aim to give a picture of the labor problems in modern industry, being neither too abstruse for the general reader nor too elementary for the employer. Those who need to inform themselves of such subjects as wages and hours, woman and child labor, the standard of living, turnover, unemployment and immigration may find generally reliable information here. Part III deals with agencies and methods of readjustment such as arbitration, labor organizations and works councils. As a means of securing a grasp of the industrial problem with its social and economic aspects the book can be recommended.

Organized Business Knowledge. J. F. Johnson. B. C. Forbes Publishing Co., New York, 1923. pp. xxi + 204.

This book sketches, with a free and interesting hand, the intricate problems of finance, marketing, management, accounting, selling and advertising in 47,000 words, and discloses, in the remaining 3,000 words, how organized business knowledge may be secured. Five methods are suggested; in the school of experience, a slow and unsatisfactory process; by studying the business of others, a difficult performance; by reading books and periodicals, the dose of which is devastating; by business university training, excellent but limited to the comparatively few; and, finally, by the university extension course, available, happily, to the many.

Personal and Business Efficiency. By C. A. Henderson. George H. Doran Company, New York, 1923. 308 pages.

The author presents a most practical and readable survey of the problems of efficiency to meet the need of every business man as well as of every student. The book discusses systematically and in a non-technical way, the best practical results of study in the fields vital to the welfare of the business man himself. How to progress towards full, vigorous human life, whose major efficiency is business efficiency, is the theme of this book. As the author states the case, "Short cuts and direct business instruction suffice in part; but in the last resort there is no other way to business efficiency than through personal efficiency."

After pointing out the growing need of efficiency, together with the ends thereof, and our resources therefor, the writer proceeds to show how to attain first a sound mind, later a sound body; then how to get the most out of these during the working day, working alone or in co-operation with others. The book concludes with a review of the meaning, value of, and means to personality, the finished product of efficiency.

"The reference books and articles have purposely been kept to few in number that they may the more certainly be procurable and that they may the more surely be studied."

651. **OFFICE MANAGEMENT**651.2 **Equipment:** *Fixtures, Furniture, Furnishings, Decoration, Mechanical Appliances*

Postponing the New Office Building.
Management and Administration, 6:
 738-1, December, 1923.

Building just now is costly. It is bet-

ter to wait and, in the meantime, make better use of the available space. Private offices may be consolidated and executives can put their desks in the midst of their departments.

651.3 **Organization:** *Job Analysis, Employment, Pay*

Psychological Tests for Office Occupations. By A. W. Kornhauser. *The University Journal of Business*, 2: 22-30, December, 1923.

Greater progress has been made in the use of selective tests for office occupations than for any other class of workers. In clerical work the general intelligence tests have been valuable. Typist tests are "trade tests" and show present ability. Aptitude tests are needed to indicate potential ability. In this connection enough work has

been done to open up a promising field of research.

Stenographic Proficiency Tests. *World Book Company*, 1923.

The Blackstone Stenographic Proficiency Tests are designed to ascertain the ability of a typist and stenographer. The typewriter tests, just published, consist of a series of five to be used at frequent intervals in order to test proficiency. The tests are accompanied by a manual of instructions and norms of accomplishment.

651.4 **Administration:** *Regulations, Training, Communications, Supplies*

An Office Manual for Service Corporations. By Eleanor Gilbert. *The Office Economist*, 5: 3-3, November, 1923.

Service corporation officials come in direct contact with the ultimate consumer; they should, therefore, be acquainted with what the company does and sells. This can be accomplished best by the use of an office manual, an outline of which is given.

The Personal Stenographer or the General Stenographic Department. *Office Economist*, 5: 7-2, November, 1923.

"If the stenographic force numbers less than ten it is not advisable to have a General Stenographic Department." With larger numbers centralization brings efficiency.

658. **PLANT MANAGEMENT**658.1 **General:** *Promotion, Finance, Organization*

The Direct Effect on Production of Certain Common Illnesses. By R. E. Andrews. *Industry*, 12: 3-2, November 17, 1923.

The effects of accidents on production have been keenly studied, their cost closely

estimated, and the results given wide publicity, but strictly medical service has not received the same attention. Yet sickness causes ten times more absence than accident.

In general respiratory diseases, the com-

mon head cold, cause most of the lost time. The absence due to sickness can be reduced by 33 per cent by preventive work. Employers who have installed medical departments acknowledge the benefit to production.

Balancing the Personnel. By H. Ploeger, M. Hennan. *Management*, p. 58, December, 1923.

The assignment board is a special labor control board. It has the names of those assigned to certain work. Each morning, when absentees are discovered, the assignment head fills the places from her help-out record, which shows all available extra operatives for every operation.

Capital Requirements and Control. By J. H. Bliss. *Management and Administration*, 6: 705-4, December, 1923.

The ideal accountant should do more than keep accounts; he should interpret the facts to the busy executive. This can, perhaps, be done best by the man on the spot rather than by a public accountant whose functions are primarily to make audits and introduce systems. More co-operation between the accountant and the management is desirable.

Management Leadership the Key to Industrial Co-operation. By Sam A. Lewisohn. *Mining Congress Journal*, December, 1923.

It is important that persons in executive positions in the mining industry should

receive a thorough training in modern methods of handling labor. The human problem has often been subordinated to those of purchasing, financing and sales, but it is not always the large parts of the machine which cause the trouble. The burning out of a small bearing makes the machine inoperative; so, too, with labor.

Modern Management and Its Influence on Industry. By F. J. Knoeppel. *Society of Industrial Engineers Bulletin*, 5: 4-3, November, 1923.

Modern management has given more to labor than to capital. But adding to and safeguarding its surplus is the outstanding need of capital. Management, through the medium of trade association work, has secured valuable cost information, but there ought to be a dependable exchange of data on purchasing, labor relations, organization and planning.

Machines—A Factor in Holding Men. By R. B. Williams, *Industrial Management*, 66: 276-2, November, 1923.

Workmen demand fair wages, harmonious surroundings, security of position, promotion, scope for self-expression and inspiring leadership. Machinery affects all but the last. The introduction of labor saving devices affect the ventilation, light and noise of a plant and thereby affect the attitude of the worker—they depend on the will of the employer; inspired leadership, however, depends on his ability.

658.2 Plant: Location, Material, Design, Lighting, Heating, Ventilation, Power, Equipment

Getting the Most Out of Factory Lighting. By C. C. Hermann. *Factory*, 884, December, 1923.

Good lighting consists of desirable intensities of illumination, selection of suitable lighting units, the utilization constant and knowledge of the size and number of lamps to be installed.

Daylighting. By Leland Cofer. *Industrial Bulletin*, 3-33, November, 1923.

The window position has to be considered in addition to window, to floor area. A skylight or additional window is sometimes less costly and more hygienic than additional artificial light.

658.3 Industrial Economics: Labor and Capital, Law of Labor, Wage Theory, Legislation, Immigration, Socialism, Communism, Co-operative Factories, Duration of Work

Why Our Labor Costs Are Low. By F. L. Sweetser. *System*, 44: 733-5, December, 1923.

The Dutchess Manufacturing Company defines, and states, its obligations to its employees and defines their obligations to the company. Employee representation has been found extremely valuable; it has increased wages, lowered turnover and improved the quality and quantity of production. In many cases piece-rates, based on standard tasks resulting from time study, have been introduced. Written instructions for foremen have been valuable.

Social Insurance and International Legislation. By K. Krzeczowski, *International Labour Review*, 8: 637-6, November, 1923.

An international basis for social insurance is lacking. There is a national tendency to unify social insurance under one body. This will make some basis possible. All insurance, whatever its type, aims to remedy the loss of earnings or income which is a risk inherent in every kind of work.

658.41 Employment: Department, Supply of Labor, Classification of Employees, Selection, Tests, Maintenance, Transfers, Promotion, Separation, Turnover, Re-employment

The Importance of Personal Records.

By J. C. Clark. *Railway Age*, 75: 1007-2, December 1, 1923.

The difficulty of estimating the character and ability can be reduced by the maintenance of personal records which have "unlimited value in a large organization." To a personnel department whose object is to build a better organization they are indispensable.

Personnel Research, 2: 153-15, August-September, 1923.

The questionnaire method is often the only way of securing information without undue cost and delay. The article describes in detail the method used of ascertaining success or failure of school graduates; its cost and results obtained from each step in the follow-up process.

Physical Standards for Factory Employment. By C. S. Carney. *Journal of Personnel Research*, 2: 147-4, August-September, 1923.

This article gives a classification of physical requirements in eyesight and general physique, a type of job specification in use and the result of the physical examination of applicants together with disabilities and rejections per thousand examined.

Recognition of Long Time Service.

By L. D. Burlingame. *Management and Administration*, 6: 767-2, December, 1923.

An Employees' Long Service Record is placed in the hall of the Brown & Sharpe Manufacturing Company's plant. It contains the names of all employees who have been in the service of the company for 25 years or more. On reaching this period an employee is presented with a long-service pin; pins of other colors indicate service of 30 and 50 years. Pins are presented personally by officials of the company.

Validating the Questionnaire Method. By Herbert A. Toops. *Journal of Per-*

Promotion, Industrial Welfare. 5: 315-3, November, 1923.

Vernon & Sons, a Birkenhead company, permits its employees to visit other departments in order to fit themselves for promotion. The company encourages theoretical knowledge, issues a "Form of Application for Vacant Post," and promotes on merit alone.

Training and Employment of Disabled Workmen in the Ford Plant. *Monthly Labor Review*, 17: 173-2, November, 1923.

On January 12, 1914, Henry Ford issued instructions that in the future no one applying for work should be rejected on account of his physical condition unless found to be suffering from a contagious disease. At the present time 123 men with either amputated or hopelessly crippled arms, forearms, or hands; one with both hands off, four totally blind men, 207 blind in one eye, 253 with light perception in only one eye, 37 deaf and dumb, 60 suffering from epilepsy, four with both legs or feet missing, 234 with one foot or leg amputated or hopelessly crippled, 1,560 suffering from hernias of various types, 900 tubercular employees and 6,180 more suffering from other ailments or diseases, bringing the total up to 9,563. These men are placed by a rational adjustment to suitable work, of which there are about 7,000 different types.

How, For Only \$210, We Reduced a Serious Labor Turnover. By Morris R. Machol. *Factory*, 756, December, 1923.

There was a "community complex" in a small industrial town as to the South River Spinning Mill, resulting in shortage of labor and high turnover. Cash prizes were offered to school children, through the medium of the local paper, for an essay on, "Why the South River Spinning Mill is a Desirable Place to Work." The

result was, "We got all the labor we needed, and we were in a position to replace our less desirable employees with a better grade of workmen."

Some Thoughts on Personnel Work. By R. W. Husband. *News Bulletin*, Bureau of Vocational Information, November 15, 1923.

Personnel work in industry and the colleges is similar. Vocational guidance is most important for graduates from colleges, yet little is known about commercial and industrial positions. It, therefore, becomes the duty of colleges and commercial and industrial concerns to cooperate.

The most important activity to insure success in a personnel office is unremitting research. The colleges are agreed that mental tests are useful in predicting success or failure in the courses. Success or failure in college may have some bearing on subsequent success. Recruiting of college graduates by industry is still very far from being systematic and adequate.

The Personal Interview in Marketing Services. By E. B. Miller. *Personal Efficiency*, 13: 713-5, December, 1923.

Men continue to occupy inferior positions unless they are able to sell their services. Applicants get "cold feet" at the personal interview, but there is no reason to be nervous in asking for a position not beyond one's ability.

"Undesirable Aliens." By H. S. Jennings. *Survey*, 51: 309-3, December 15, 1923.

This is an analysis of the investigation of the Congressional Committee on Immigration, prepared by H. H. Laughlin, whose conclusion is that "the recent immigrants, as a whole, present a higher percentage of inborn socially inadequate qualities than do the older stocks," some of which, however, may be due to environmental change.

658.44 Employee Service: Hygiene and Sanitation, Safety, Health Supervision, Living Conditions, Lunch Rooms, Company Stores, Morals, Recreation

Can Sick Benefit Associations Profitably Engage in Disease Prevention Work?

By L. R. Thompson, D. K. Brundage, *Journal of Industrial Hygiene*, 5: 305-9, December, 1923.

Sick benefit associations provide for financial protection against illness. The question is raised as to whether it might not pay to undertake sickness prevention. Facts bearing upon this phase are presented.

Why Industry Profits by Health Supervision. By Howell Cheney, *Industry*, 12: 1-4, December 15, 1923.

Idle machinery, absence of workers, labor turnover and lack of training cost money. Much of these losses can be reduced by a comprehensive plan for health supervision such as the physical examination of workers and applicants, nursing, hygiene and sanitation.

Practical Hygiene and Sanitation, Denison Manufacturing Company. By H. G. Murray, *Nation's Health*, 5: 809-2, November, 1923.

Dr. Murray describes the medical, dental and sanitation work done for 3,200 employees of whom half are women. During May, 1923, 1,874 medical treatments were given, 178 accidents were reported and 264 physical examinations were made. Dental work is done on a cost basis. There were 1,163 visits to the dentist who is paid a straight salary by the company.

The Man Who Had to Do Better. By E. Gould, *Management*, p. 37, December, 1923.

The Kirsch Manufacturing Company, Sturgis, Mich., has spent a third of the cost of its new building on "features" for the benefit of the employee. There is a swimming pool, a reading room, gymnasium and cafeteria. Production has been greater in a forty-nine-hour than in a sixty-hour week.

Further Studies in Mental Hygiene in Industry: Malingering. By F. W. Dersheimer, *Journal of Industrial Hygiene*, 5: 299-5, December, 1923.

Most cases diagnosed as malingering in the army proved to be hysteria on further study, and this is probably true in industry. It is necessary to find the cause and remove it.

Fire Prevention. By A. C. Baker. *Industry*, 12: 1-2, December 8, 1923.

"A few dollars expended in adequate inside protection is far better insurance, as far as the owner's interests are concerned, than that type of coverage which makes good only the actual damage to property."

Common Colds and Associated Infections. *Statistical Bulletin*, Metropolitan Life Insurance Company, 4: 1-2, November, 1923.

In a group of about 6,700 clerical employees of the Metropolitan Life Insurance Company at the Home Office, there were 2,824 "colds" involving a loss of 6,233 days, for one year ending July 28, 1923.

Eyesight Conservation in Industry. *Iron Age*, 112: 1602, December 13, 1923.

Twenty-nine thousand employees of the Ford Motor Company have defective vision, according to a report made to the Eyesight Conservation Council of America. Over 60,000 employees were examined. The company first started making eye examinations in 1912.

The Relation of Industrial Medicine to the General Practice. *Journal of Industrial Hygiene*, 5: 288-4, December, 1923.

The general practitioner should co-operate with the industrial physician when he feels that he must advise a patient to

change his job. No doctor should give such advice without knowing what the patient is doing and under what conditions he is doing it. Co-operation between the plant and family physicians will bring the best results.

Estimated Annual Number and Cost of Industrial Accidents in the United States. By Carl Hookstadt. *Monthly Labor Review*, 17: 1-9, November, 1923.

Effective accident prevention depends on statistics, yet most of the requisite information is unavailable at the present time. Some compensation commissions make no

statistical analyses of accidents, while the value of the data published is impaired by lack of uniformity and completeness. Because of this no one knows how many industrial accidents occur in the United States.

By a knowledge of the accident rate in certain industries, and the relative hazard between industries and the number employed, it has been estimated that the annual number of fatal and non-fatal accidents were 2,453,418, the working days lost were 227,169,970 and the wages lost, at the rate of \$4.50 a day, were \$1,022,264,866.

658.447 Training and Education: *Continuation Schools, Foreman Training, Apprenticeship, Company Libraries, Vestibule Schools, Bulletin Boards, Co-operation with Public Schools and Colleges; Employee Publications, Management Training, Technical Training*

Apprentices Paid While Attending School. *Iron Age*, 112: 1444-1, November 29, 1923.

Sixty-five sheet metal union apprentices have begun a four-year training course at Carnegie Institute of Technology, Pittsburgh, and will be paid their regular wages by the employers for the time spent in school.

When and Where Shall the Foreman Study? By J. K. Novins, *Dodge Idea*, 13, November, 1923.

When the course of study is intensive and lasts a comparatively short time group meetings may be held on company time during the work-day. Group conferences are sometimes treated to supper and the discussion takes place on the foremen's time. In the small plant a short general course is best.

Training Workers at Night. By Marshall B. Lloyd, *Factory*, 754-2, December, 1923.

New men are started on night work, being paid a 15 per cent bonus. About 10 per cent of the entire staff is trained at night, using an instructor for every eight-

een workers and the same machines and benches as for day workers. Day workers are given the option of going on night work.

Putting Aristotle Into the Machine Shop. By E. S. Cowdrick, *Education*, 44: 220-6, December, 1923.

The need for using to better advantage the raw material of industry turned out by the colleges is urgent. By intelligent co-operation on the part of industrial management, the college faculty and the student himself, one of the most deplorable wastes of present-day brain power can be avoided.

The Training of Foremen in Industry. By T. E. Jones, *Bulletin No. 33*, National Society for Vocational Education, p. 55.

The foreman will be better equipped if he understand modern methods of hiring, the fundamentals of discipline, the cause and prevention of accidents, wage setting and the principles governing the transfer of men from one department to another. In instructing foremen the terror of formalism should be avoided.

Training Textile Operatives. By Hazelle S. Moore, *Bulletin No. 53*, National Society for Vocational Education, p. 62.

In the Rollins Hosiery Mills, Des Moines, Iowa, employees are trained on the production floor by instructors who are good teachers given trade experience. Figures show that to train an operator costs from \$50 on the minor jobs to \$300 on knitting and looping.

Job Training in Industry. By P. E. Wakefield, *Bulletin No. 53*, National Society for Vocational Education, p. 82.

Four methods are possible; instruction from an older employee familiar with the work; direct instruction by the foreman; a special instructor or a separate training department. The latter is seldom possible and one of the other methods must generally be used. Foreman training is useful in improving methods of instruction.

What the Personnel Publication Can Do for the Worker. By D. C. Vandercook, *Industrial Management*, 66: 307-3, November, 1923.

The plant periodical is the most intimate form of journalistic endeavor in the world to-day. It is of, by and for themselves. It seeks to reflect the life of which it is a part and can urge the right use of leisure, extend the teaching of citizenship and bring about a more sympathetic and respectful meeting of the races.

The Editor's Place in the Management.

By J. Evans Smith, *Management and Administration*, 6: 749-2, December, 1923.

The true industrial editor reflects the policies and ideals of the company; creates right thinking; counteracts radicalism; develops co-operation and promotes thrift, safety, education and health. The message may be conveyed by a judicious mixture of news, editorials, rhymes and editorials.

How Can I get My Plant Bulletins Read? *Factory*, 762, December, 1923.

Bulletin boards should be placed where people can see them, either near drinking fountains or elevator signals, for instance. In some places intermittent lights draw attention to the boards; in others current events and news features serve to draw attention to safety features. Bright colored slips with the words "New Notice" fix attention and a target indicating the position of each department in safety are other devices.

A Lariat for Opportunity. *Survey*, 51: 331-1, December 15, 1923.

The Boston Continuation School authorities ascertained that most children, between the ages of 14 and 16, go to work because of "financial pressure in their homes" and not because of completed training. Hence, dissatisfaction by the employer of what the schools do; hence, an effort in Boston to enable children to complete their school training.

658.45 **Benefit Systems: Employers' Liability, Workmen's Compensation, Group Insurance, Pensions, Thrift and Investment Plans, Stock Subscription, Mutual Benefit Associations**

How Big Manufacturers Are Getting Support of Employee-Owners. By D. C. Vandercook, *Printers' Ink*, 7: 43-3, December, 1923.

It is not enough to make employees stock owners; they must be educated, through the medium of the plant periodical, as to what they own not only in

terms of plant but in money. The General Electric Company, with its 30,000 employee investors, has taken particular pains to tell not only about the plant itself but about the stock, its value and profits secured by employees from its purchase. Thus employees come to take more than an academic interest in their work.

From 1920 to 1922 the Standard Oil had increased its number of shareholders from 6,894 to 13,000, United States Steel from 143,407 to 167,055 and the American Telephone and Telegraph from 186,342 to 248,925, a total increase of 82,337.

So They May Finance Themselves. By

Maxwell Droke, *Business*, 5: 19-2, December, 1923.

"I need about \$75 to buy some coal. If I buy the coal now I can save \$3 a ton," said an employee of the H. P. Wasson & Co., department store of Indianapolis. This incident suggested the establishment of a credit-union details of which are described.

658.46 Labor Relations: Organized Labor, Strikes, Boycotts, Lockouts, Collective Bargaining, Arbitration, Conciliation, Mediation, Employee Representation

New Management in Cleveland. By Carroll Y. Belknap, *Business*, 5: 14-2, December, 1923.

An analysis of the survey made by the Cleveland Chamber of Commerce of employee representation.

Dennison Company's Works Committee, Part II. By Franklyn Meine, *University Journal of Business*, 2: 81-31, December, 1923.

This is a most useful article showing the growth of the works committee, its problems and procedure. The material consists of documents published from time to time in the Round Robin.

A Fourth Dimension for Measuring Skill for Obtaining the One Best Way to Do Work. By F. B. & L. M. Gilbreth, *The Society of Industrial Engineers Bulletin*, 5: 6-3, November, 1923.

The importance of simultaneity in doing work is often overlooked. The one best

way to do an operation demands specifications as to the path of the motions in time, in space and relatively in each case.

Knox Factory Workers Basis of New Marketing Plan. By August Belden, *Printers' Ink*, 7: 21-2, December, 1923.

Fletcher H. Montgomery, president of the Knox Hat Company, found that if the quality of his goods was satisfactory the sales would take care of themselves; for this it was necessary to secure the co-operation of the workers. Hence, the works council, organized in 1919, was established, and is now extended to the retail stores and salesmen.

"It seems to me," says Mr. Montgomery, "that the only way to bring business where it ought to be is to educate the rank and file so that they will understand the economic relation of things, to co-ordinate the mental forces of employers and employees, to simplify lines, processes and methods so that the waste and impedimenta can be eliminated."

658.54 Rate Setting: Operation Study, Time Study, Motion Study, Fatigue Study, Time Allowance

Board to Facilitate Time Study Work. *Iron Age*, 112: 1578, December 13, 1923.

A board for holding time-study records which has a clip for the watch on the top right-hand corner. The watch can thus be operated by the left hand leaving the right hand free for making figures.

Wages and Hours of Work in the Automobile Tire Industry, 1923. *Monthly Labor Review*, 17: 103-2, November, 1923.

The data were drawn from a representative payroll of each establishment canvassed, principally in May, 1923.

Averages are shown for 22,535 male employees in 49 establishments and 1,624 female employees in 39 establishments. The average earnings per hour of males in all occupations is 74.1 cents, and of females 46 cents. The average full-time hours per week of males is 49.5, and of females, 49.

The average full-time earnings of males per week in all occupations are \$36.68, and of females in all occupations \$22.54.

There was an average of 294 days of operation for the year ending March 31, 1923.

658.55 *Incentives: Wage Plans, Methods of Payment, Profit Sharing, Pensions, Competitions, Prizes, Suggestion Systems, Vacations*

With What Measure? By Dale S. Cole, *Industrial Management*, 66: 372-3, December, 1923.

The problem of labor compensation is going to assume again increasing importance. Some form of profit sharing would be advisable but it must be simple, easy to apply, frequent, adequate and the qualifications must not be too rigid. Participation should be on the basis of net profits.

Salary List or Pay Roll? By K. M. Coolbaugh, *Industry Illustrated*, 5: 78-2, December, 1923.

Salary, instead of weekly wage or bonus,

is very satisfactory for paying linesmen. If there is overtime men are entitled to an equivalent amount of time during the week. The plan appeals to the men and there is no soldiering.

Vacation With Pay. *Mead Co-operation*, 6: 33-1, December, 1923.

At the Mead Pulp and Paper Company vacation with pay is given to all employees who have been continuously with the company for a period of three years or more. The length of the vacation is graded according to the period of service. During 1923 nearly 50 per cent of the total working force were given vacations with pay.

658.56 *Shop Organization: Methods, Inspection, Tool Room, Discipline, Job Assignments, Salvage, Waste*

What Does Labor Want? By E. S. Cowdrick, *Management*, p. 45, December, 1923.

The laborer has much the same wants as the employer, the desire to get ahead and

a larger measure of economic security. Labor will aim for these things by the means which appear to promise the most success, individual effort, employee representation or trade unionism.

658.8 SALES MANAGEMENT

658.81 *Organization of Department*

The Co-ordination of Departmental Expense in the Sales Budget. By W. W. Kincaid, *Sales Management*, 6: 259-2, December, 1923.

Sales managers go after sales without any reference to the ability of the plant

to fill orders. Co-ordination between sales and production is needed. The ideal organization is built up on the budget system and the broadgaged sales manager will aim to conform to its requirements.

658.82 Sales Promotion: *Letters, House Organs, Advertising*

Some Deciding Factors That Influence Direct Action from Sales Letters. By Horace Sweetland, *Industrial Publishing*.

Sales letters must be accurate, clear, concise, courteous and sincere. The test, however, of sales letters is their ability to secure a favorable response.

Increasing the Number of Calls Your Salesmen Make. By C. C. Casey, *Printer's Ink Monthly*, 7: 37-2, December, 1923.

The junior, by digging up prospects for

the senior salesman, absorbs resistance, prepares the way and keeps the senior busy.

How Mailing Stabilized Our Production.

By Louis Adler, *System*, 44: 750-3, December, 1923.

Letters and photographs of goods can reach the customer quicker than the salesman. Letter writing is only 1 per cent a matter of literary ability. Punctuation and neatness take up another 8 or 9 per cent. The remaining 90 per cent is a matter of merchandising.

658.86 Salesmen: *Selection, Training, Compensation*

Who Can Become a Salesman? By John B. Mannion, *Personal Efficiency*, 13: 726-3, December, 1923.

"It is pretty well agreed in business that the trained salesman—the man who was 'made' a salesman by right methods—is usually a better salesman than the man who is in the class of the poets-born to his occupation."

A Manager's Part in Creating Team Play. *System*, 44: 761-2, December, 1923.

The salesmen and the factory pass the buck to each other. It is a good thing to bring them more together; hence, one company makes salesmen guests of the factory at the noon hour at the end of each business trip.

Selling the Commission Idea to Salaried Salesmen. By J. W. O'Harrow, Jr., *Sales Management*, December, 1923.

Sales losses come from the non-producers, therefore a differential commission is only fair. It stimulates the good men and weeds out the duffers.

The Salesman Who Has Reached the Limit of His Earning Capacity. *Sales Management*, 6: 266-2, December, 1923.

Before deciding that a salesman has reached the limit of his capacity it should be ascertained whether he is doing the right work or is trained in the right way. A change in compensation or territory may increase his earning capacity.

Should Sales Managers and Salesmen Own Stock in the Business? By J. C. Apsley, *Sales Management*, 6: 255-2, December, 1923.

Participation in profits as well as losses through stock ownership is the only plan which, in the long run, will work to the best advantage of all concerned and which will build up an enduring, loyal and sympathetic sales organization.

Should the Trouble-maker Be Let Out of the Sales Force? By A. Swain, *Printers' Ink Monthly*, 7: 39-3, December, 1923.

By purging the sales force of its listless members the whole tone is improved. Sometimes a change of territory gives a needed stimulus but procrastination in getting rid of dead wood is one of the big items in the high cost of selling. "Personality" salesmen should be judged by the results they produce and not by the impression they make on the sales manager.

658.89 Salesmanship:

Salesmen's Reports. By J. S. Murphy, *Printers' Ink Monthly*, 7: 19-3, December, 1923.

To-day nearly every company insists on frequent reports from its salesmen, to find out what they are doing, the conditions in the territory covered, to keep their trade records up to date and keep track of competition. The important thing about sales reports is that they be used by the sales manager in establishing policies and advertising campaigns. Several types of sales reports are shown.

Industrial Democracy in the Sales Office. *Office Appliances*, p. 23, December, 1923.

The sales force of the American Multi-graph Company, in Chicago, operates under a form of industrial democracy. -The Chicago sales organization is empowered to initiate and execute sales plans, to establish and determine conditions of contests, and to maintain a spirit of enterprise and loyalty.

"It Can't be Done, Chief!" By Sheldon Willis, *System*, 44: 758-3, December, 1923.

It is a mistake to frighten a salesman with the difficulties to be encountered in approaching a "hard nut." The man who fears his job is "licked before he starts."

Selling the Buyer Who Thinks He Is

Always Right. By Donald Argyle, *Printer's Ink Monthly*, 7: 25-2, December, 1923.

It often pays the salesman to turn objections into a sales argument rather than to antagonize the purchaser.

When Your Audience Begins to Yawn.

By Benjamin Bills, *Sales Management*, 6: 273-3, December, 1923.

Salesmen are good man-to-man talkers but they are sometimes called on to address groups. This article outlines some of the fundamentals of speaking in public.

Twenty Ways to Meet Price Objections. *Sales Management*, 6: 257-3, December, 1923.

This is a summary of methods used by successful salesmen in various lines of business. It provides ideas as to the best means of approach.

A Plan That Sold a Month's Quota in Two Weeks. By H. S. Westerfield, *Sales Management*, 6: 308-2, December, 1923.

The plan puts a premium on hard work and pays less for easy work. The names of the salesmen are put on a board and the quota chalked up each day. The higher the sales the higher the rate of the bonus which is paid 30 days after being earned.

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